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Shippers Demand Measurable Improvements in Service, Pricing, and Competition Before Supporting Further Consolidation

July 31, 2025 – Washington, DC - The National Industrial Transportation League (**NITL**)is the voice of the shipper since 1907 and its members generate roughly $878 billion in gross revenues while spending billions of dollars annually on freight transportation.

NITL's mission includes advancing the views of shippers on freight transportation policy matters and in proceedings before federal government agencies. NITL members include U.S. companies across a wide variety of industries who are engaged in shipping an array of bulk and packaged commodities within the United States and beyond. Our members require efficient, competitive, and safe rail, maritime, and highway transportation systems to meet their supply chain requirements and the needs of their customers.

NITL has consistently been on the record as opposing further consolidation in the freight rail industry. As a result of prior mergers, rail competition has been drastically reduced in the United States and many of NITL's rail members have facilities that are captive to only a single railroad. Despite the promises that rail customers would benefit from mergers through more efficient service, in reality captive rail customers must pay increasingly higher prices for unreliable and inadequate service.

With only five Class I carriers remaining, and where four of them are responsible for handling 90% of our nation's freight rail movements, further consolidation of the industry will boost railroad profits and benefit Wall Street at the expense of shippers, especially captive rail customers. Experience has shown that railroads are seldom held accountable for their service delays and resulting disruption leaving captive shippers stuck between a rock and hard place with little to no effective recourse. A transcontinental rail merger will expand railroad market power substantially from coast to coast but would not serve the public interest unless substantial competitive enhancements are made and enforced.

Under the STB's updated merger rules, any proposed merger must demonstrate enhanced competition. For most shippers, this means increased *rail-to-rail* competition, not simply greater competition between rail and truck. While some shippers might see short-term benefits from improved competition with trucking, this rationale seems flawed, especially considering railroads have been steadily losing market share to trucks over the past two decades due to poor service, all while continuing to post record profits to appease Wall Street.

NITL looks forward to participating in the process considering the Board has been informed of an upcoming transcontinental merger application. NITL will be evaluating the impacts on rail customers and seeking STB enforcement mechanisms for enhancing competition that must be clearly defined and effective. Freight rail shippers must benefit from guaranteed, long-term competitive service and service improvements —not just empty promises.